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DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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March 10, 1992

TO: Board of Oil, Gas and Mining

THRU: Lowell P. Braxton, Associate Director *LPB*

THRU: D. Wayne Hedberg, Permit Supervisor *DWH*

FROM: Holland Shepherd, Senior Reclamation Specialist *HS*

RE: Request for Board Approval of the Form and Amount of Surety, Copperton Modernization Project - 4th Line Expansion, Permit Amendment, Bingham Canyon Mine, Kennecott Utah Copper Corporation, M/035/011, Salt Lake County, Utah

In April of 1990, the Board approved Kennecott Utah Copper's (KUC) original 4th Line Expansion. The 4th Line Expansion was an addition to the Copperton Modernization Project and ultimately to the overall Bingham Canyon Mine permit. Kennecott has since amended the original 4th Line plan, of 117 acres, to include another 51 acres.

The original \$5,017,000 surety for the 4th Line Expansion has been increased to \$5,300,000 (please see attachments). Kennecott originally proposed a revised surety of \$5,400,000 (1995 dollars). However, using a more appropriate inflation factor, the Division determined the surety requirement at \$5,300,000 (1997 dollars). The new surety has been increased by an amendment to the existing Standby Letter of Credit, issued April 4, 1991 (copy attached).

The Division issued its tentative approval of this permit amendment on January 14, 1992. The tentative approval letter indicated that the Division would separate the Copperton Modernization and 4th Line Expansion projects from the larger Bingham Canyon permit. To accommodate filing efficiency and reduce confusion (because of the enormous size of the Bingham Canyon permit), a separate file (M/035/011) has now been created for the Copperton Modernization/4th Line Expansion projects.

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Kennecott Utah Copper
4th Line Expansion
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Please find attached a Board checklist indicating other items which have been attached for your reference and review.

Thank you for your time and consideration of this request.

jb
attachments

DOGM MINERALS PROGRAM

Checklist for Board Approval of FORM AND AMOUNT OF SURETY

Prepared March 11, 1992

Mine Name 4th Line Expansion
File No. M/035/011

Items	Provided		Remarks
	Yes	No	
Executive Summary	X		
Location Map	X		
Reclamation Bond Estimate	X		
Signed Reclamation Contract	X		
Signed Power of Attorney/ Affidavit of Qualification		X	N/A
Bond/Reclamation Surety	X		Amendment to existing Standby Letter of Credit
Surety Sign Off (Other State/Federal Agencies)		X	N/A

4: Checklist